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ABSTRACT

This competency-based preservice home economics teacher education module on influences on food prices is the fifth in a set of five modules on consumer education related to foods and nutrition. (This set is part of a larger series of sixty-seven modules on the Management Approach to Teaching Consumer and Homemaking Education [MATCHE]--see CE 019 901-967.) Following the module objectives and overview, two units of instruction are presented: (1) factors affecting food prices and (2) calculating actual food costs. Each unit includes the following elements: objectives, overview, narrative summary, suggested activities, and suggested resources. Also included in this module is a list of references on the evaluation of nutrient content, price, and palatability of brand names. A module pre/posttest (with answer key) concludes the document. (Workshop proceedings relating to the development of these modules are available in the ERIC system as CE 019 896-899; also available is a module on utilizing FHA-HERO as an instructional strategy to expand and strengthen the home economics instructional programs [CE 019 900].) (JH)

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CONSUMER APPROACH STRAND:

FOODS AND NUTRITION

MODULE I-C-5 INFLUENCES ON FOOD PRICES

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1978

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Bureau of Homemaking Education
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EDUCATION & WELFARE
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MATCHE

Management Approach to Teaching Consumer and Homemaking Education

MATCHE is an individualized, competency-based preservice curriculum designed for home economics education students at the preprofessional, upper division level. MATCHE is a comprehensive curriculum based on selected objectives which give emphases in three areas: 1) consumer approach to homemaking education, 2) teaching home economics in economically depressed areas, and 3) establishing occupational programs related to home economics. The material for each subject matter area of home economics has been organized into these three strands, and includes an FHA-HERO emphasis. These subject matter areas are home economics education core, housing, foods and nutrition, textiles and clothing, human development, and management.

The MATCHE modules were written by subject matter specialists from various colleges and universities offering home economics and therefore each is unique in the approach used for the development of the objectives. The modules allow for differences in level of achievement, rate of learning, and learning goals. They may be used independently, combined into a sequential series, or as a random set of conceptual units. Any instructor using the material can easily adapt the material to a specific group of students, the locale, method of instruction, and available facilities. Learning may be facilitated by offering one module in conjunction with others.

As MATCHE is continuously up-dated by those using the curriculum, some concepts and objectives may be added and others deleted. The purpose is to continually strengthen the program for pre and inservice home economics teachers.

Guidelines for Use and Continuous Development of MATCHE are on file with Home Economics units in each of the fifty state departments of education plus all of the Home Economics Departments in California institutions offering home economics education. This booklet and proceedings from the four MATCHE workshops give background information concerning the purpose and development of the MATCHE project.

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The project was developed under a contract with the Bureau of Homemaking Education, California State Department of Education under the provisions of PL 90-576 and PL 94-482. However, the opinions expressed herein do not necessarily reflect the position or policy of the Bureau of Homemaking Education or the U. S. Office of Education, and no official endorsement should be inferred.

MATCHE PROJECT

1974-1978

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Fifty-one MATCHE modules were written, using the format and objectives selected by the 1971 task force and advisory committee. Modules were reviewed and content validated by subject matter specialists at statewide workshops.

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INFLUENCES ON FOOD PRICES

Module Objectives

The MATCHE student will be able to identify and explain how various general factors and advances in food technology influence food prices.

Given a representative sample of packaged food commonly available at a supermarket, the MATCHE student will be able to calculate the actual price per pound or ounce that is being paid for each particular food and make a comparison of the actual value of the ingredients in the product.

Module Overview

Technological advances in the packaging and handling of food have expanded the variety of sizes and packages available to consumer. Such advances have created confusion and misunderstanding in the supermarket due to the multiplicity of quantities and prices available.

Consumers can better assure themselves of buying food at the best price by being aware of the general factors which influence food prices and knowing how to use these to his advantage. Being aware of the effects of legislation, the food industry, the national economy, and advances in food technology on food prices; understanding the labeling and unit pricing; and being able to compare prices and values through calculating relative costs can also aid the consumer in getting the best food buy available. The cost of convenience foods will also be investigated.

This module has been divided into the following units:

Unit 1: Factors Affecting Food Prices

Unit 2: Calculating Actual Food Cost

UNIT 1

FACTORS AFFECTING FOOD PRICES

Objectives

The MATCHE student will be able to identify and give examples of various general factors which influence food prices, such as legislation, food technology, and the economy.

The MATCHE student will be able to identify and give examples of various specific factors which influence food prices, such as supply, sales and specials, where you shop and when, quantity and quality buying, name brands, and the state or form of the food you purchase.

Overview

Many factors influence food prices and can be used by consumers to their advantage if they are aware of them. The purpose of this unit is to identify several of those general factors and to demonstrate how consumers can use them to advantage.

Narrative Summary

Supply and demand is usually the basis for the fluctuating price of any commodity. The greater the supply, the lower the cost; and the greater the demand, the higher the cost. This is a complex problem. Weather, transportation, and fashion play their role, as well as government subsidies, price controls, and other regulations. The suggested activities in this lesson will give you an opportunity to analyze some of the factors which influence the price of foods.

Suggested Activites

1. Give an example of how a specific piece of legislation, an advancement in food technology, and the economy have influenced food prices in the nation. Use local newspapers or national magazines.

2. Give examples of specific factors which influence food prices in your own neighborhood, such as the following:

   a. sales and specials
   b. seasonal variation
   c. quantity and quality buying
   d. name brands
   e. the state or form of the food you purchase

   Use local newspaper and advertising promotions. Indicate how such knowledge can increase your purchasing power.

3. List the things a consumer ought to be cognizant of in order to get the best buy at the supermarket. Rank in order of terms of importance to you, such as:

   a. Buy only essentials.
   b. Make a list.
   c. Buy in season and at sales.
   d. Buy in quantity.
   e. Be aware of brand and unit pricing.

4. Discuss with a small group of peer factors affecting food prices which are controllable. Which are not?

5. Suppose a study showed that the net farm value of the wheat in a one-pound loaf of white bread represented about 15 percent of the retail cost of bread. The major costs in the one-pound loaf costing 55.2 cents are as follows:

Item	Cents	----Percent----	
Net farm value of wheat	8.2		14.85
Processing, distribution, and other	47.00		85.15
Labor	10.75	38.95	
Profit	1.34	4.86	
Advertising	1.23	4.46	
Packaging	1.14	4.14	
Depreciation	0.62	2.23	
Transportation	0.51	1.84	
Business Taxes	0.33	1.19	
Rent	0.22	0.80	
Energy	0.21	0.76	
Repairs	0.17	0.60	
Interest	0.15	0.53	
Other	6.80	24.63	
		85.15	100.00

Discuss the effects of a new packaging and advertising campaign or a labor dispute on the cost of bread. Which would add more to the cost of a loaf of bread--a one-fourth increase in wheat prices or a 4 percent increase in processing and distribution?

6. Visit five markets and note the placement of the bread rack, and promotion or advertisements of bread products. Write a brief statement evaluating your findings.

7. Become familiar with the commodities exchange market in Chicago. The trading has possibly caused inflation as there is much speculation. Unfortunately, farmers are losers on this exchange as they are not professional traders. Make a list of other unfamiliar factors which you would like to learn more about in the future.

8. Explain the following terms, giving examples:

   Lost lenders
   Unit pricing
   Identity standards
   Surplus commodities
   Consumer price index

9. Discuss how food substitutes and synthetic foods may affect food prices.

10. The major factors affecting food prices since the turn of the century are mass media, advertising, technology, and distribution. What do you perceive as the major new factor in the next century.

11. Compare factors affecting food prices in California to those of the Ukraine and Russia. Discuss labor-intensive Russian policies versus capital-intensive United States policies. This activity will give you some perspective regarding the world market.

Suggested Resources

"Can We Afford to Eat," Skeptic, Issue #10, 1977.

Derosier, Norman W. The Technology of Food Preservation. Westport, Connecticut: Avi Publishing, 1970.

"Does Shopping at More than One Store Cut Total Food Costs." P.M. Crowell and J.S. Bowers. September-October, 1977, p. 67.

Ewald, Ellen Buchman. Recipes for a Small Planet. New York: Ballantine Books, 1974.

"Food Prices and Consumption," National Food Service. 159 (March 1977).

Goldbeck, Nikki, and David Goldbeck. The Supermarket Handbook. New York: Signet, The New American Library, 1976.

U.S. Department of Agriculture. Food Marketing Alert, (monthly publication).

U.S. Department of Agriculture. Special Briefing on Food Supplies and Food Prices, Economic Research Service. Washington, D.C.: U.S. Government Printing Office, 1975.

U.S. Department of Agriculture. "Keeping Food Safe to Eat," Storing Perishables in the Home. Bulletin 162 (1978).

U.S. Department of Agriculture. Shopper's Guide. Woodbury, New York: Barron's Educational Series, 1975.

U.S. Department of Agriculture. What's Happened to Food Prices, Office of Communication. Washington, D.C. : Government Printing Office (August) 1975.

UNIT 2

CALCULATING ACTUAL FOOD COST

Objectives

The MATCHE student will be able to explain the concept of unit pricing and how it benefits the consumer.

Given samples of the same food packaged in different quantities and prices, the MATCHE student will be able to calculate the actual price per pound or ounce of food in each sample, state the differences in price per pound or ounce according to quantity purchased, and determine the "best buy."

The MATCHE student will be able to determine the actual cost of the ingredients in convenience foods and will explain reasons for the differences in the cost of ingredients and the purchase price.

The MATCHE student will be able to explain effect of food waste on food cost.

Overview

Innumerable foods can be bought in a variety of sizes and quantities in today's supermarkets. Food items are offered for sale at prices which reflect either the size of the package or the quantity for sale of the same item. Unit pricing can help to eliminate some of the confusion in comparing food prices. The purpose of this unit is to enable the student to calculate actual food prices for various sizes and quantities of the same food item and to determine the best food buy.

Narrative Summary

Most people are interested in saving money. How, when, and where food should be purchased will be investigated in several of the activities suggested for this lesson. It is anticipated that you will become a very observant shopper.

Suggested Activities

1. Carry out a price comparison of one food item, calculating the price per unit of its various forms and brands.

2. Use the unit price method for calculating best buys for five different processed foods.

   Complete a cost analysis for 20 grams of protein from eggs, tofu, ground beef, chili with beans, chicken, cheddar cheese, and round steak. Rank the foods as to their increasing cost for 20 grams of protein.

3. Conduct a Time-Energy-Nutrition-Cost comparison of a convenience product versus the long method for preparing a baked product and your favorite casserole (e.g. bran muffins, and macaroni and cheese).

4. Discuss the effects of specialization in food preparation and its influence on prices. Make a list of gourmet food items.

5. Survey three different types of food stores and ascertain best buys. Analyze factors influencing these costs.

   e.g. Chain (e.g. Safeway)
   Consumer cooperative
   Neighborhood grocery store

6. Determine the cost of an average serving of the following items, keeping nutritional value in mind.

   coffee versus milk
   cocoa pops versus shredded wheat
   orange drink versus orange juice

7. Read at least five recent journal articles on food waste. Summarize them.

8. Prepare a brochure to help limit food waste in a household that could be used with high school students or group of older Americans.

Suggested Resources

Campbell, Sally R. "What the New Food Labels Really Tell You," Better Homes and Gardens, May, 1973.

Consumer Reports, "Progress Report on Unit Pricing," February, 1971, pp. 84-85.

Granger C.W.J. "Consumer's Attitudes Towards Package Size and Price," Journal of Marketing Research, 9 (August, 1972).

Kagan, Julia. "Cheaper by the Dozen: How to Make Unit Pricing Work for You," McCall's, September, 1973, p. 38.

Margolius, Sidney. "Small Truths in Packaging and the Battle Over Unit Pricing." The Great American Food Hoax. Chicago: Frank E. Walker Publishing, 1971, (Chapter 11).

Maurizl, Alex R. "The Consumer Economics of Unit Pricing," Journal of Marketing Research, 10 (August, 1973), 277-285.

Monroe, Kent B. "What Are the Benefits of Unit Pricing?" Journal of Marketing Research, 36 (July, 1972), 16-22.

Russo, J. Edward, "An Effective Display of Unit Pricing Information," Journal of Marketing, 39 (April, 1974), 11-19.

Taylor, Eileen F. "Unit Pricing and Open Dating." Family Economics Review. June, 1972, p. 3.

Taylor, Eileen F. "Guides to Buying-Open Dating and Price per Unit." Shopper's Guide-1974 Yearbook of Agriculture. Washington D.C.: U.S. Government Printing Office, (1974) pp. 76-77.

Evaluation of Nutrient Content, Price, Palatability of Brand Names

"Frozen Fish Fillets," Consumer Reports: March 1973, p. 185.

"Frozen Fried-Chicken Dinners," Consumer Reports: June 1973, p. 402.

"Frozen Pizza," Consumer Reports: June 1972, p. 364.

"Canned Tuna," Consumer Reports: November 1974, p. 816.

"Chili: Canned vs. Homemade," Consumer Reports: October 1974, p. 716.

"Soups," Consumer Reports: September 1971, p. 538.

"Peanut Butter," Consumer Reports: May 1972, p. 286.

"Buying Beef: What pushed prices up? Bulk buying vs. the supermarket. What a good label can tell you. How much is enough?" Consumer Reports: September 1974, p. 654.

"Frankfurters," Consumer Reports: February 1972, p. 73.

"Turkey off the assembly line," Consumer Reports: November 1973, p. 664.

"Milk: why is the quality so low?" Consumer Reports: January 1974, p. 70.

"Is the water safe to drink?" Consumer Reports: June 1974. The problem: Part 1, p. 436.

"Is the water safe to drink? Part 2: How to make it safer." Consumer Report: July 1974, p. 538.

MODULE PRE/POSTTEST

Student_____

Influences on Food Prices

Instructor_____

Date_____

Student: This pre/posttest will assess your knowledge of the information presented in this module. You need study only those units that are prescribed on the basis of pretest results.

1. Make a list or prepare a schematic diagram showing the major factors affecting food prices. Allow yourself two minutes for this diagram.

2. Choose one of the major general factors affecting food prices and prepare a schematic diagram showing specific factors which affect this major factor. Allow yourself two minutes for this diagram.

3. Make a list of helpful tips to help limit food waste in a household.

4. Discuss to what extent producers and sellers of food items influence the consumer.

Return this test to your instructor for evaluation.

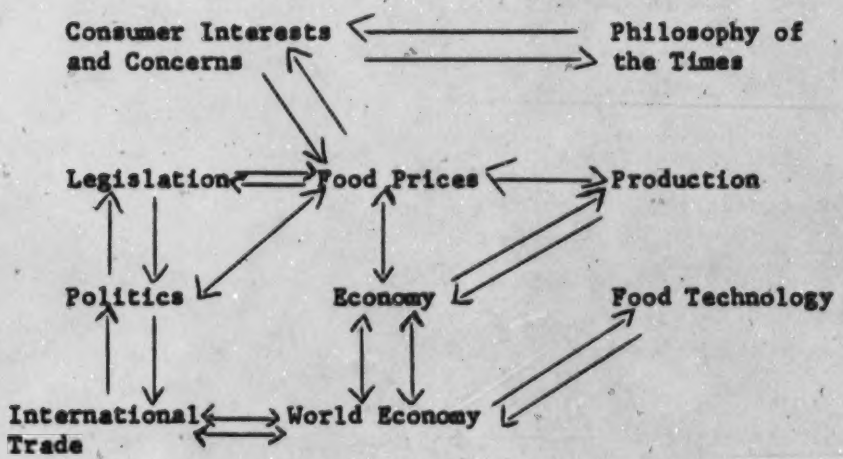
ANSWER KEY
MODULE PRE/POSTTEST

Influences on Food Prices

Instructor:	Do not reproduce this page in students' booklets. You must retain it for grading and prescriptive purposes. Answers will vary with individuals. A preferred response might be similar to the answer presented.

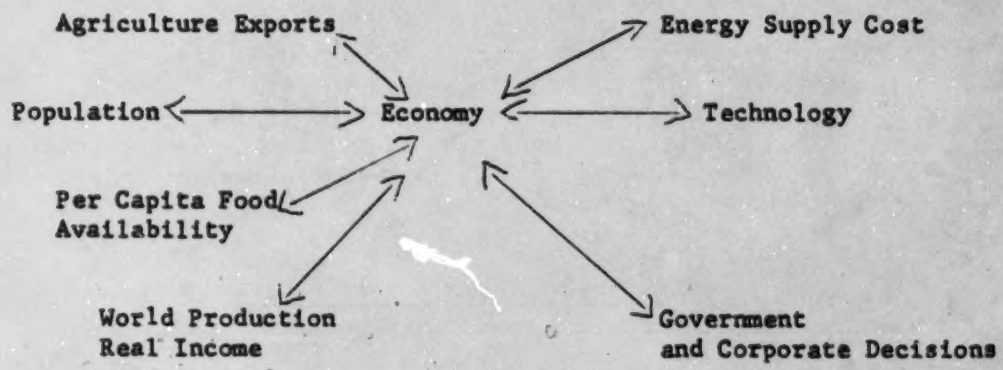
1.

Factors Affecting Food Prices

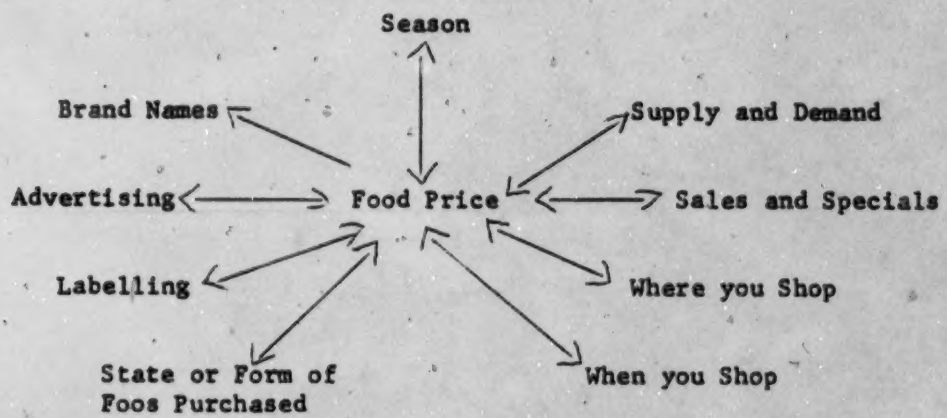


2.

Factors Affecting the Economy



Specific factors affecting food prices.



3. Some helpful tips to help limit food waste in a household:

   a. Perishables--buy in smaller quantities unless planning on using them right away (within a week) such foods as lettuce, celery, parsley, sprouts.

   b. Perishables are also wasted due to improper storage and packaging. Make sure your foods are properly stored and packaged.

   c. Don't overbuy--buy what you are able to use.

   d. Refrigerate foods that do not contain preservatives (e.g., breads).

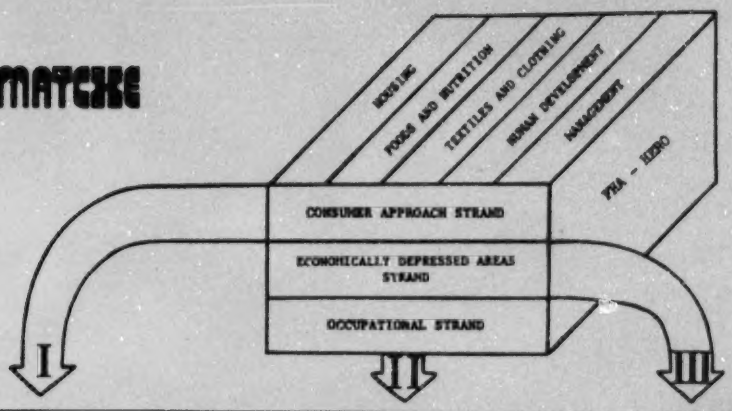
   e. Learn to take smaller plate portions. Sometimes one's eyes are bigger than one's stomach.

   f. Serve children small portions of food, and pour their beverages for them to limit liquid waste.

   g. Save leftovers and use them in soups, stews, casseroles.

4. Advertising, packaging, labeling, trading stamps, premiums, contests, and even the physical layout of the supermarket are carefully planned to stimulate the consumer to purchase particular products.

MATRIX



	I	II	III
A.	CORE: CONSUMER APPROACH TO HOMEMAKING EDUCATION 1 Life Styles and the Consumer 2 Community Consumer Resources 3 Consumer Rights and Responsibilities 4 Incorporating the Consumer Approach in Homemaking Classes	CORE: ESTABLISHING OCCUPATIONAL PROGRAMS 1 Analyzing Job Market Opportunities 2 Developing Occupational Programs 3 Implementing Occupational Programs 4 Evaluating Occupational Programs	CORE: TEACHING HOME ECONOMICS IN ECONOMICALLY DEPRESSED AREAS 1 Characteristics of Economically Depressed Areas 2 Life Style Characteristics of Economically Depressed Areas 3 Community Resources for Economically Depressed Areas 4 Developing and Implementing Programs for Economically Depressed Areas
	AREA (Module) PACKAGES	AREA (Module) PACKAGES	AREA (Module) PACKAGES
B.	HOUSING 1 Consumer Use of the Community 2 Procedures for Selecting a Community 3 Procedures for Selecting Housing 4 Shopping for a Home Loan 5 Procedures for Selecting Furnishings 6 Maintenance Procedures for Surfaces, Furniture, and Appliances	HOUSING 1 Occupational Opportunities Related to Housing and Interiors 2 Required Skills for Retail Sales of Furnishings and Related Household Items	HOUSING 1 Low Income Housing 2 Government Housing Programs 3 Low Income Furnishings
C.	FOODS AND NUTRITION 1 Technological, Sociological, Ecological, and Environmental Factors Related to Food 2 Regulatory Agencies Responsible for Wholesomeness and Quality of Foods 3 Consumer Aspects in Planning Meals 4 Cultural Food Patterns 5 Influences on Food Prices	FOODS AND NUTRITION 1 Occupational Opportunities Related Foods and Nutrition 2 Operations and Activities of a Food Service Operation 3 Managing a Food Service Operation	FOODS AND NUTRITION 1 Food Availability in Economically Depressed Areas 2 Low Income Food Patterns 3 Meal Management on a Low Income
D.	TEXTILES AND CLOTHING 1 Consumer Approach to Textiles and Clothing 2 Sociological, Psychological, and Economic Factors Affecting Clothing Selection 3 Clothing Needs of Individuals 4 Applications and Implications of New Technology in Textiles and Clothing	TEXTILES AND CLOTHING 1 Occupational Opportunities Related Textiles and Clothing 2 Assembly Line Garment Construction 3 Merchandising Textiles and Ready-To-Wear	TEXTILES AND CLOTHING 1 Clothing the Individual and Family 2 Utilizing Resources for Clothing and Textiles
E.	HUMAN DEVELOPMENT 1 Societal Changes Affecting the Family 2 The Relationship Between Spending Patterns and Interpersonal Relationships 3 Financial Pressures in Various Life Styles and Cycles 4 Individuals and Families in Crisis 5 Consumer Aspects of Parenthood	HUMAN DEVELOPMENT 1 Occupational Opportunities Related to Human Development 2 Children's Center Aide 3 Developing Programs for Preschool Children 4 Convalescent Home Aide	HUMAN DEVELOPMENT 1 Characteristics of Economically Depressed Area Families 2 The Child and the Economically Depressed Area Family 3 Resources for the Economically Depressed Area Family
F.	MANAGEMENT 1 Relationship Between National and Consumer Economics 2 Consumer Legislative Issues 3 Environmental Issues and the Consumer 4 Financial Management 5 Family and Individual Credit Management 6 Management View of the Multiple Role 7 The Metric System	MANAGEMENT 1 Occupational Opportunities Related to Home Management and Supporting Services 2 Occupational Preparation for Jobs Utilizing Housekeeping Skills	MANAGEMENT 1 Management Skills 2 Money Management 3 Marketing Practices in Relation to Low Income Clientele